1:Stanford U. S-4, 5 1956 AF14 Central China AF14

1954 from Chengchow, Honan, there were 22,000 agricultural producers' co-operatives organized compared with 6,000 before the autumn harvest of the same year.[16] The statistics of other provinces are not available, but if estimated conservatively with 25 per cent for Central-South China in ratio to the entire country, there would have to be around 150,000 units in spring, 1955. 474

Regarding the state-owned and state-operated farms, some changes have been made since 1952. Generally, there are two types of state farms -- mechanized and semi-mechanized. The large-scale mechanized state farms are principally located in North-east China. In Central-South China, there are only a few large farms. Among them, the "Huang-fan-ch'ü State Farm," near the Yellow River in Honan Province is the largest. "Wan-ch'ing-sha State Farm" in Kwangtung and "Ch'ang-te State Farm" in Hunan are also comparatively large in size. There are also a number of small state farms operated by provincial and hsien governments. According to a Communist report, in 1953 in China as a whole there were 2,340 state farms of all sizes, including 59 mechanized farms, with a total of 2.1 million shih-mou of cultivated 475

16. New China News Agency, Chengchow, November 10, 1954.

1:Stanford U. S-4, 5 1956 AF14 Central China AF14

land and 1,621 tractors of the standard 15-horse-power capacity.[17] 475

V. AGRICULTURAL PRODUCTION OF CENTRAL-SOUTH CHINA

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"Agricultural production" may include all the items grown in the rural area and also the products of forestry, fishery, cattle-raising, and other industries which may be beyond the scope of the present discussion. Only those items which bear special significance in each region have been selected for the present study. Among them, food grains and raw cotton are most important. Other items which deserve our special attention in the Central-South Region are wood-oil, ramie, and tea.

In dealing with food grains, the extent of recovery under the Communist regime and the supplies available to fulfill local consumption requirements will be surveyed more or less in detail. Concerning the production of cotton and other crops, availability for export will be discussed. Of the new measures

17. Chung-yang Cheng-fu Kuo-chia T'ung-chi-chü, 1953, Nien-tu Kung-pao 1953, [Official Statistical Report of 1953 by the National Statistical Bureau of the Central People's Government], Peking, 1953, p. 9.

1:Stanford U. S-4, 5 1956 AF14 Central China AF14

D. State Capitalism

The main forms of state capitalism are as follows: (1) the state designates private merchants as distributors on its behalf, the commodities are sold as property of the state, and the merchants work on a commission basis. (2) Private merchants purchase controlled commodities from state stocks and resell them at fixed retail prices regulated by the state. (3) Joint state-private ownership replaces private capitalist ownership, and the state invests some capital in business under joint management. In Canton up to June 1954 there were 9,700 trading firms, among them those handling grains, edible oil, chemical dyes, metals, medicines, communications, electrical appliances, silk and cotton cloth, cigarettes, wines, coal, and lumber. All of these firms were converted to state capitalism in one of the several arrangements listed above.[84] This transformation was carried out soon after the large-scale "Wu-fan" (Five-Anti) Campaign[85] launched in 1952.

Domestic trade in Central-South China is for the most part under the monopoly of the government. The private sector of trade is decreasing while the state-owned sector, including the co-operatives, increases very rapidly. According to the goal established by the first Five-Year Plan, state-owned

84. Ta-Kung Daily, Tientsin, Oct. 4, 1954.

85. "Wu-fan" was a campaign launched in 1952 immediately after the "San-fan" Campaign to eliminate bribery, evasion of taxes, shoddy work and use of inferior materials on government contracts, stealing of state property, use of confidential economic information from governmental sources for speculation on the market.